

Intellectual capital strategy

Basic policy for intellectual property activities

Aisin's basic policy in promoting its intellectual property activities is to strengthen dissemination of intellectual property information that contributes to new value creation and to strategically acquire intellectual property rights.

Increasing corporate value through intellectual property activities

To increase corporate value, we evaluate the value of intellectual property we hold and verify its relationships with management and business strategies or social issues, thereby implementing our intellectual property activities.

By looking at social, environmental and technology trends inside and outside of Aisin, including intellectual property information in markets, we can formulate robust management and business strategies for future growth and strategically construct a portfolio of intellectual property based on the strategies. We also carry out activities to guarantee the intellectual property with the aim of gaining superiority and profitability of our future businesses.

Intellectual property supports us in providing solutions for social and environmental issues through our business activities, leading to increasing our corporate value.

Aisin's intellectual property

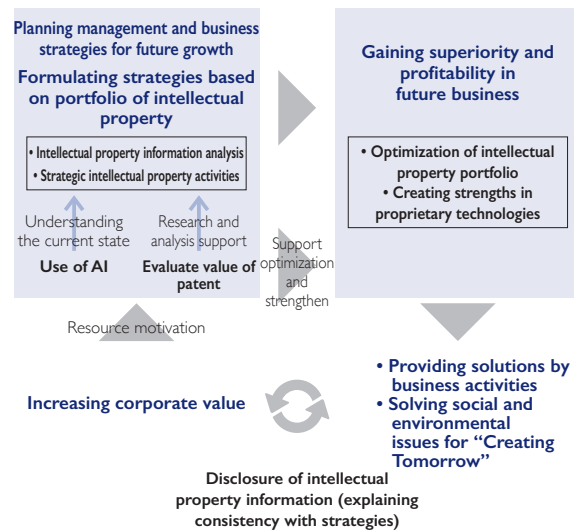
Patent portfolio as of FY2022

Domestic patents held: 5,955 **Overseas patents held: 6,710**

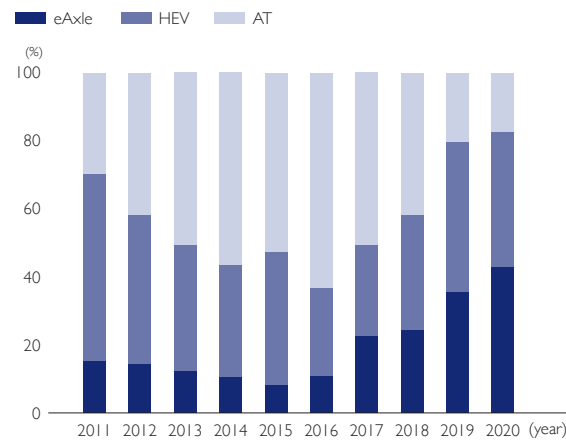
In recent years, we have been increasing the proportion of solution-oriented products among total patent applications (the case of Powertrain Company is presented below as an example).

The number of inventions and the value of patents held in relation to Powertrain Company indicate that Aisin is strong in HEV in particular compared to our competitors. At present, aiming to further enhance the patent portfolio of solution-oriented products, we are focusing our efforts on strengthening the area related to eAxle, in particular.

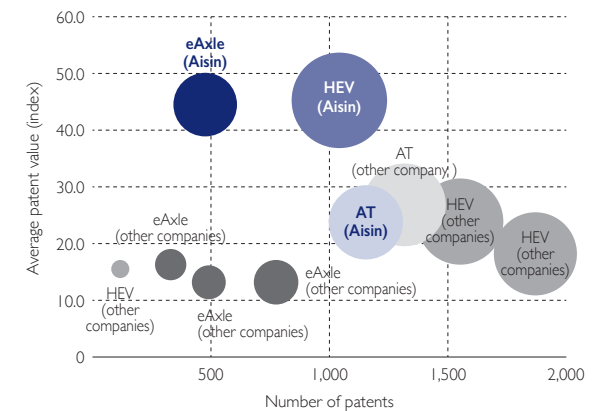
Image of increasing corporate value through intellectual property activities



Ratio of applications related to Powertrain Company



Value comparison for powertrain related patents



Prepared by Aisin using Derwent Innovation of Clarivate (using the population of powertrain-related patent applications in 2011 and 2022)

Intellectual capital strategy

Enhancing intellectual capital

We are shifting our focus of development to products for electric vehicles and solution-oriented products, mainly those for carbon neutrality, which are our priority areas.

In fiscal 2022, R&D for solution-oriented products accounted for 67% of total R&D expenses. We will continue to enhance this area.

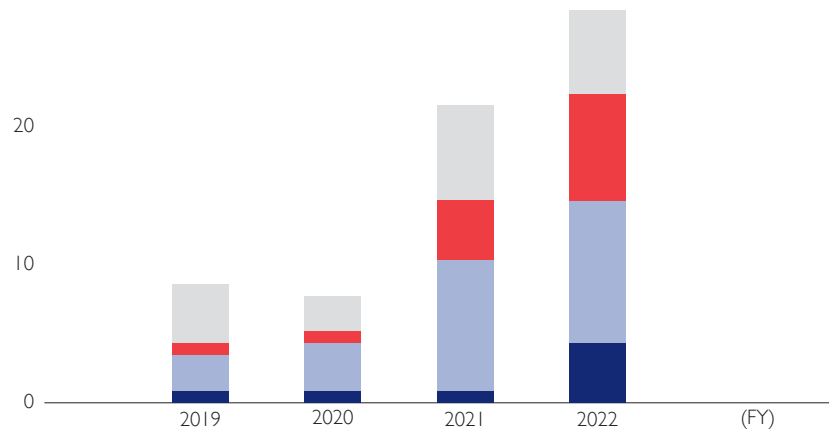
Promoting open innovation

Aisin promotes open innovation activities with a view to creating new businesses and value. Specifically, we are seeking prospective partners and technologies mainly in the fields of mobility, logistics, production technology, AI-DX, carbon neutrality, and new areas and are advancing collaborations with external partners.

Technology collaboration with startups

■ Mobility hardware ■ Mobility software ■ Energy and new areas ■ Production technology

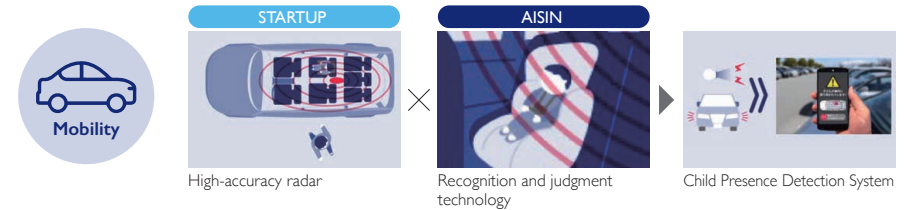
(Number of PoC* cases)
30



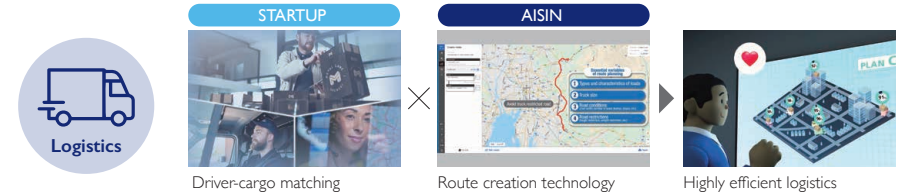
* PoC: Proof of Concept

Technology collaboration with startups

In the mobility field, high-accuracy radar (radio wave sensor) of a startup was combined with Aisin's recognition and judgment technology to develop a system to detect a child left in the cabin. With this, we aim to ensure safe and secure movement.



In logistics, the truck-cargo matching technology of a startup was combined with Aisin's route creation technology to develop a service to improve efficiency.



Collaboration with startups also takes place at production sites. The AI technology developed jointly with a startup enables learning of professional skills of experienced inspectors, contributing to both automation and quality assurance at plants.

